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13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA
15 WESTERN DIVISION

16 WASHTENAW COUNTY
EMPLOYEES' RETIREMENT
17 SYSTEM, Individually and on Behalf of
All Others Similarly Situated,

18 Plaintiff,

19 vs.

20 LONGTOP FINANCIAL
21 TECHNOLOGIES LIMITED, WAI
CHAU LIN and DEREK
22 PALASCHUK,

23 Defendants.

VIA FAX

CV11 04714 PA (MANx)

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

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JURISDICTION AND VENUE

1
2 1. Jurisdiction is conferred by §27 of the Securities Exchange Act of 1934
3 (“1934 Act”). The claims asserted herein arise under §§10(b) and 20(a) of the 1934
4 Act, 15 U.S.C. §§78j(b) and 78t(a), and SEC Rule 10b-5, 17 C.F.R. §240.10b-5.

5 2. This Court has jurisdiction over the subject matter of this action pursuant
6 to 28 U.S.C. §1331 and §27 of the 1934 Act. Longtop Financial Technologies
7 Limited (“Longtop” or the “Company”) American Depositary Shares (“ADSs”) and
8 ordinary shares were actively traded on the New York Stock Exchange (“NYSE”) in
9 the United States throughout the Class Period.

10 3. Venue is proper in this District pursuant to §27 of the 1934 Act and 28
11 U.S.C. §1391(b). The violations of law complained of herein occurred in part in this
12 District, including the dissemination of materially false and misleading statements
13 complained of herein into this District. Longtop’s headquarters are located in Beijing,
14 China.

15 4. In connection with the acts alleged in this Complaint, defendants, directly
16 or indirectly, used the means and instrumentalities of interstate commerce, including,
17 but not limited to, the mails, interstate telephone communications and the facilities of
18 the national securities markets. Longtop’s shares trade in an efficient market on the
19 NYSE.

INTRODUCTION

20
21 5. This is a securities class action on behalf of all persons who purchased or
22 otherwise acquired the publicly traded securities of Longtop between May 15, 2009
23 and May 17, 2011 (the “Class Period”), against Longtop and certain of its officers
24 and/or directors for violations of the 1934 Act. These claims are asserted against
25 Longtop and certain of its officers and/or directors who made materially false and
26 misleading statements during the Class Period in press releases, analyst conference
27 calls, and filings with the Securities and Exchange Commission (“SEC”).
28

1 6. Longtop, together with its subsidiaries, provides a wide range of software
2 solutions and services to financial institutions in the People's Republic of China,
3 including the development, licensing and support of software solutions, the provision
4 of maintenance, support, and other services, and system integration services related to
5 the procurement and sale of third party hardware and software. The software
6 solutions provided by the Company are classified into four categories: channel,
7 business, management, and business intelligence.

8 7. During the Class Period, defendants issued materially false and
9 misleading statements regarding the Company's financials and business prospects.
10 Specifically, the Company misrepresented and overstated its financial condition. As a
11 result of defendants' false statements, Longtop securities traded at artificially inflated
12 prices during the Class Period, reaching a high of \$42.73 per share on November 10,
13 2010.

14 8. On April 26, 2011, Citron Research ("Citron") issued a report on
15 Longtop stating "every financial statement from its IPO to this date is fraudulent."
16 The report raised serious issues with the quality of the Company's earnings reports
17 and operations, pointing to a suspicious off-balance-sheet arrangement with Xiamen
18 Longtop Human Resources ("XLHR"), a staffing company, that allowed Longtop to
19 report super-sized profit margins and inflated financial results. The report also called
20 into question the integrity of Longtop's key management, specifically pointing to
21 undisclosed misdeeds involving past unfair business practices.

22 9. In response to negative news revealed in the report, the price of Longtop
23 shares declined substantially, falling 12.9%, or \$3.30 per share on April 26, 2011, and
24 then plummeted another 20%, or \$4.51 per share, to close at \$17.73 per share on April
25 27, 2011, on heavy trading volume.

26 10. Following publication of the Citron report, Longtop hosted a conference
27 call during which it vehemently denied every aspect of the report and assured
28 investors that not only was Citron wrong, but that the Company would soon be issuing

1 positive financial results that would receive a clean bill of health from Longtop's
2 auditors. The effect of the false and misleading statements made in the conference
3 call was to maintain and increase the artificial inflation in the price of Longtop
4 securities.

5 11. Then on May 9, 2011, Citron published a follow-up report entitled
6 "Longtop Financial (NYSE: LFT) Final Proof of Undisclosed Related Party
7 Transactions." Among other things, the report further revealed the Company's
8 connection to XLHR and how that connection materially impacted Longtop's
9 financial condition.

10 12. In response to the release of the second Citron report, the price of
11 Longtop stock fell 8.2%, or \$1.67 per share to close at \$18.54 per share on May 9,
12 2011.

13 13. On May 10, 2011, Longtop issued a press release further denying the
14 claims of both Citron reports, as well as a similar report issued by OLP Global.

15 14. On May 17, 2011, trading in Longtop stock was halted pending an
16 announcement by the Company. At the time trading was suspended, Longtop stock
17 was trading at \$18.93 per share.

18 15. On May 19, 2011, Longtop issued a press release announcing that the
19 Company would not announce its fourth quarter and fiscal year 2011 financial results
20 on May 23, 2011, as previously scheduled (and emphatically reiterated by defendants
21 in their false denials of the Citron reports). The Company stated that it "plans to
22 publish an announcement on the new date of fourth quarter and fiscal year 2011
23 earnings reporting once the date has been determined."

24 16. Then, on May 23, 2011, Longtop issued a press release announcing that
25 its independent auditor, Deloitte Touche Tohmatsu CPA Limited, had resigned and
26 that the SEC was conducting an investigation into related matters. The Company also
27 announced that its Chief Financial Officer ("CFO") Derek Palaschuk ("Palaschuk")
28 tendered his resignation dated May 19, 2011. But for the suspension of trading, the

1 disclosures on May 19 and May 23, 2011 would have substantially lowered the price
2 of Longtop securities and further removed the artificial inflation caused by
3 defendants' fraud.

4 17. The true facts, which were known by defendants but concealed from the
5 investing public during the Class Period, were as follows:

6 (a) the Company misrepresented and overstated its financial condition
7 and future business prospects; and

8 (b) as a result of the foregoing, defendants' statements regarding the
9 Company's financial performance and expected earnings were false and misleading
10 and lacked a reasonable basis when made.

11 18. As a result of defendants' false statements, Longtop's securities traded at
12 inflated levels during the Class Period. After the above revelations seeped into the
13 market, the Company's shares were hammered by massive sales, sending them down
14 55.7% from their Class Period high.

15 PARTIES

16 19. Plaintiff Washtenaw County Employees' Retirement System("Plaintiff")
17 purchased Longtop shares as described in the attached certification and was damaged
18 thereby.

19 20. As stated above, defendant Longtop together with its subsidiaries
20 provides a wide range of software solutions and services to financial institutions in
21 China. Longtop's headquarters are located in Beijing, China.

22 21. Defendant Wai Chau Lin, also known as Weizhou Lian ("Lian"), is one
23 of the Company's founders and, at all relevant times was a director and Chief
24 Executive Officer ("CEO") of Longtop.

25 22. Defendant Palaschuk was, at all relevant times, CFO of Longtop.

26 23. Defendants Lian and Palaschuk (the "Individual Defendants"), because of
27 their positions with the Company, possessed the power and authority to control the
28 contents of Longtop's quarterly reports, press releases and presentations to securities

1 analysts, money and portfolio managers and institutional investors, *i.e.*, the market.
2 They were provided with copies of the Company's reports and press releases alleged
3 herein to be misleading prior to or shortly after their issuance and had the ability and
4 opportunity to prevent their issuance or cause them to be corrected. Because of their
5 positions with the Company, and their access to material non-public information
6 available to them but not to the public, the Individual Defendants knew that the
7 adverse facts specified herein had not been disclosed to and were being concealed
8 from the public and that the positive representations being made were then materially
9 false and misleading. The Individual Defendants are liable for the false statements
10 pleaded herein.

11 **FRAUDULENT SCHEME AND COURSE OF BUSINESS**

12 24. Defendants are liable for: (i) making false statements; or (ii) failing to
13 disclose adverse facts known to them about Longtop. Defendants' fraudulent scheme
14 and course of business that operated as a fraud or deceit on purchasers of Longtop
15 publicly traded securities was a success, as it: (i) deceived the investing public
16 regarding Longtop's prospects and business; (ii) artificially inflated the prices of
17 Longtop publicly traded securities; and (iii) caused Plaintiff and other members of the
18 Class to purchase Longtop publicly traded securities at inflated prices and suffer
19 economic loss when the revelations set forth herein reached the market.

20 **CLASS ACTION ALLEGATIONS**

21 25. Plaintiff brings this action as a class action pursuant to Rule 23 of the
22 Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise
23 acquired Longtop publicly traded securities during the Class Period (the "Class").
24 Excluded from the Class are defendants and their families, the officers and directors of
25 the Company, at all relevant times, members of their immediate families and their
26 legal representatives, heirs, successors, or assigns and any entity in which defendants
27 have or had a controlling interest.

1 26. The members of the Class are so numerous that joinder of all members is
2 impracticable. The disposition of their claims in a class action will provide substantial
3 benefits to the parties and the Court. Longtop has over 57 million shares outstanding,
4 owned by hundreds if not thousands of persons.

5 27. There is a well-defined community of interest in the questions of law and
6 fact involved in this case. Questions of law and fact common to the members of the
7 Class predominate over questions that may affect individual Class members, and
8 include:

- 9 (a) whether the 1934 Act was violated by defendants;
10 (b) whether defendants omitted and/or misrepresented material facts;
11 (c) whether defendants' statements omitted material facts necessary to
12 make the statements made, in light of the circumstances under which they were made,
13 not misleading;
14 (d) whether defendants knew or deliberately disregarded that their
15 statements were false and misleading;
16 (e) whether the prices of Longtop securities were artificially inflated;
17 and
18 (f) the extent of damage sustained by Class members and the
19 appropriate measure of damages.

20 28. Plaintiff's claims are typical of those of the Class because Plaintiff and
21 the Class sustained damages from defendants' wrongful conduct.

22 29. Plaintiff will adequately protect the interests of the Class and has retained
23 counsel who are experienced in class action securities litigation. Plaintiff has no
24 interests which conflict with those of the Class.

25 30. A class action is superior to other available methods for the fair and
26 efficient adjudication of this controversy.

BACKGROUND

31. Longtop describes itself as the “leading software development and solutions provider targeting the financial services industry in China.” The Company develops and delivers a comprehensive range of software applications and solutions with a focus on meeting the rapidly growing IT needs of financial services institutions in China.

32. On October 25, 2007, Longtop completed its listing on the NYSE of ADSs representing ordinary shares offered in the Company’s initial public offering, which closed on October 29, 2007. Then, on November 23, 2009, the Company completed a follow-on public offering of ADSs representing ordinary shares. Longtop received aggregate net proceeds from the follow-on offering of approximately \$126.6 million, after deducting underwriting discounts and commissions, but before deducting offering expenses paid by the Company.

DEFENDANTS’ FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

33. The Class Period starts on May 15, 2009. On that date, the Company filed a Form 6-K with the SEC that provided an update of certain developments since the filing of the Company’s 2008 Form 20-F, and included financial results for the nine months ended December 31, 2008, and a purported update of the Company’s risk factors. The Company reported a gross profit of more than \$54 million, compared to \$29.6 million for the same period in 2007, an increase in income from operations to \$36 million, compared to \$569,000 for the same period in 2007, and an increase in net income to \$34.6 million compared to a net loss of \$1.679 million for the same period in 2007. The Form 6-K, which was signed by Palaschuk, also stated, in part:

Total Revenues. Total revenues for the 2008 Period were \$80.4 million, an increase of 61.6% from \$49.8 million in the 2007 Period

* * *

1 Commenting on the results, Derek Palaschuk, CFO of Longtop said: “In
2 the fourth quarter and fiscal 2009 Longtop reported revenue and
3 Adjusted Net Income results which substantially exceeded the guidance
4 we gave at the beginning of the fiscal year. Our strong results
5 underscore the sales momentum, recurring revenue structure and
6 operating leverage of our Company’s business model, as well as our
7 solid execution. Looking ahead, the attractive market opportunity calls
8 for continuing our strategy of investing back into the business and
9 grasping consolidation opportunities through acquisitions that will help
10 make Longtop the leading IT service provider in China’s financial
11 services industry.”

12 **BUSINESS OUTLOOK**

13 Longtop anticipates for the quarter ending June 30, 2009, excluding
14 Sysnet:

15 i) Total revenues of US\$27.0 million, representing an increase of 39.9%
16 YoY from revenues of US\$19.3 million in the corresponding year ago
17 period. Software development revenues are expected to be US\$23.0
18 million, a YoY increase of 42.9% from US\$16.1 million in the
19 corresponding year ago period;

20 ii) Adjusted Operating Income of US\$11.0 million, representing an
21 increase of 20.9% YoY from Adjusted Operating Income of US\$9.1
22 million in the corresponding year ago period.

23 iii) Adjusted Net Income of US\$10.0 million or US\$0.20 per diluted
24 share, representing an increase of 28.2% YoY from Adjusted Net Income
25 of US\$7.8 million in the corresponding year ago period.

26 Longtop anticipates for its fiscal year ending March 31, 2010, including
27 Sysnet:

1 i) Total revenues of US\$142.0 million, representing an increase of 33.6%
2 YoY from revenues of US\$106.3 million in fiscal 2009. Software
3 development revenues are expected to be US\$122.0 million, a YoY
4 increase of 36.2% from US\$89.6 million in fiscal 2009;

5 ii) Adjusted Operating Income of US\$67.0 million, an increase of 27.6%
6 YoY from Adjusted Operating Income of US\$52.5 million in fiscal
7 2009.

8 iii) Adjusted Net Income of US\$63.0 million or US\$1.20 per diluted
9 share, an increase of 22.1% YoY from Adjusted Net Income of US\$51.6
10 million in fiscal 2009.

11 35. Following issuance of the earnings release, on May 27, 2009, after the
12 market closed, Longtop hosted a conference call to discuss the Company's financial
13 results and operations. During the call, defendants made numerous positive
14 statements about the Company's business and operations.

15 36. On June 29, 2009, the Company filed with the SEC its annual report for
16 the fiscal year ended March 31, 2009. The financial results reported in the Form 20-F
17 were substantially similar to those reported in the Company's prior press releases.
18 The Form 20-F was signed by defendants Lian and Palaschuk and contained
19 certifications signed by Lian and Palaschuk stating the Form 20-F did not include any
20 material misrepresentations.

21 37. On August 19, 2009, the Company issued a press release announcing its
22 financial results for the first quarter of 2010. The press release discussed the
23 Company's first quarter 2010 financial results and business outlook, and stated, in
24 part:

- 25 • Total Revenues of US\$28.5 million, an Increase of 47.4% Year-
26 on-Year;
- 27 • Adjusted Operating Income of US\$11.6 million, an Increase of
28 27.7% Year-on-Year;

- 1 • Adjusted Net Income of US\$10.7 million, an Increase of 36.6%
- 2 Year-on-Year;
- 3 • Full year Revenue Guidance Increased to US\$145.0 million and
- 4 Adjusted EPS Guidance Increased to US\$1.22 Per Share

5 * * *

6 “We are off to a strong start with the results of our first fiscal quarter
7 demonstrating healthy demand from Longtop’s customers, which has
8 allowed us to increase our full year guidance. We are seeing strong
9 demand across all customer and product segments and we see this trend
10 continuing. Longtop is especially pleased to be recently ranked as the #1
11 market share leader by IDC for banking solutions and # 2 in the
12 insurance IT solution market in China for calendar year 2008. As we did
13 in calendar 2008, we are working hard to continue to expand our market
14 share and market leadership in China’s rapidly growing financial IT
15 solution market,” commented Weizhou Lian, CEO of Longtop.

16 * * *

17 Commenting on the results, Derek Palaschuk, CFO of Longtop, said,
18 “We have executed to deliver outstanding top and bottom line financial
19 results during the first fiscal quarter in what is traditionally our lowest
20 revenue and net income quarter in the fiscal year. On the back of a
21 strong backlog and pipeline in our core software development business,
22 we are able to increase our full year revenue and net income guidance
23 even though our non-core Other Services business, which accounts for
24 less than fifteen percent of revenues, is facing some headwinds.
25 Consistent with previous years, in Q2 and Q3 2010 we expect significant
26 improvements from this quarter in our margins and cash flow from
27 operations.”

1 **BUSINESS OUTLOOK**

2 Longtop anticipates for the quarter ending September 30, 2009:

3 i) Total revenues of US\$37.5 million, representing an increase of 33.0%
4 YoY from revenues of US\$28.2 million in the corresponding year ago
5 period. Software development revenues are expected to be US\$34.0
6 million, a YoY increase of 44.1% from US\$23.6 million in the
7 corresponding year ago period;

8 ii) Adjusted Operating Income of US\$18.5 million, representing an
9 increase of 18.6% YoY from Adjusted Operating Income of US\$15.6
10 million in the corresponding year ago period.

11 iii) On the assumption a \$3.0 million income tax refund for being
12 designated as a “Key Software Company” will be received in Q2 2010,
13 Adjusted Net Income of US\$19.5 million or US\$0.37 per diluted share,
14 representing an increase of 20.4% YoY from Adjusted Net Income of
15 US\$16.2 million in the corresponding year ago period. If the income tax
16 refund is received in Q3 2010, Adjusted Net Income is expected to be
17 \$16.5 million or US\$0.31 per diluted share.

18 Longtop anticipates for its fiscal year ending March 31, 2010:

19 i) Total revenues of US\$145.0 million, representing an increase of 36.4%
20 YoY from revenues of US\$106.3 million in fiscal 2009. Software
21 development revenues are expected to be US\$127.0 million, a YoY
22 increase of 41.7% from US\$89.6 million in fiscal 2009;

23 ii) Adjusted Operating Income of US\$69.0 million, an increase of 31.4%
24 YoY from Adjusted Operating Income of US\$52.5 million in fiscal
25 2009.

26 iii) Adjusted Net Income of US\$65.0 million or US\$1.22 per diluted
27 share, an increase of 26.0% YoY from Adjusted Net Income of US\$51.6
28 million in fiscal 2009.

38. Following issuance of the earnings release, Longtop hosted a conference call to discuss the Company's financial results and operations. During the call, defendants made numerous positive statements about the Company's business and operations.

39. On November 16, 2009, the Company issued a press release announcing its financial results for the second quarter of 2010. The press release discussed the Company's second quarter 2010 financial results and business outlook, and stated, in part:

- Second Quarter Total Revenues of US\$42.8 million, Up 52.0% Year-on-Year;
- Second Quarter Adjusted Operating Income of US\$20.8 million, an Increase of 33.4% Year-on-Year;
- Second Quarter Adjusted Net Income of US\$21.4 million, an Increase of 32.0% Year-on-Year;
- Second Quarter Adjusted Diluted Earnings Per Share of US\$0.40, an Increase of 29.0% Year-on-Year;
- Full Year 2010 Revenue Guidance Increased to US\$158.0 million from Previous Guidance of US\$145.0 million and Adjusted Diluted Earnings Per Share Guidance Increased to US\$1.29 Per Share from Previous Guidance of US\$1.22 Per Share

* * *

"I'm pleased to report that on the back of solid execution once again our second quarter financial results exceeded our top and bottom line guidance," commented Weizhou Lian, CEO of Longtop. "This quarter we achieved a number of important operational milestones including winning our first meaningful contract in the securities industry and a Big Four Bank awarding us a BI consulting project over our global competitors. We also continue to strengthen our management and strive

1 for efficiency and better execution to manage our growth. I continue to
2 be optimistic about our prospects, as Longtop's competitive position is
3 stronger than it has ever been and we have good visibility for continued
4 strong demand."

5 * * *

6 Commenting on the results, Derek Palaschuk, CFO of Longtop, said:
7 "The outstanding results from the fiscal second quarter further solidified
8 Longtop's financial strength. The second quarter's record revenues were
9 supported by robust cash flow from operations, which was
10 US\$18.8 million. And looking ahead, with strong demand and
11 US\$46.5 million in software development revenue backlog excluding
12 Sysnet, we have increased our estimate for fiscal 2010 revenues from
13 US\$145.0 million to US\$158.0 million and for Adjusted Net Income of
14 US\$70.5 million as compared to our previous guidance of
15 US\$65.0 million."

16 **BUSINESS OUTLOOK**

17 Longtop anticipates for the quarter ending December 31, 2009:

18 i) Total revenues of US\$48.5 million, representing an increase of 47.4%
19 YoY from revenues of US\$32.9 million in the corresponding year ago
20 period. Software development revenues are expected to be US\$42.7
21 million, a YoY increase of 47.8% from US\$28.9 million in the
22 corresponding year ago period;

23 ii) Adjusted Operating Income of US\$26.0 million, representing an
24 increase of 50.3% YoY from Adjusted Operating Income of US\$17.3
25 million in the corresponding year ago period.

26 iii) Adjusted Net Income of US\$23.5 million or US\$0.43 per diluted
27 share (based on an increased share count of approximately 55.3 million
28 shares which assumes 4.0 million new shares issued in Q3 2010),

1 representing an increase of 42.4% YoY from Adjusted Net Income of
2 US\$16.5 million in the corresponding year ago period.

3 Longtop anticipates for its fiscal year ending March 31, 2010:

4 i) Total revenues of US\$158.0 million, representing an increase of 48.6%
5 YoY from revenues of US\$106.3 million in fiscal 2009. Software
6 development revenues are expected to be US\$137.0 million, a YoY
7 increase of 52.9% from US\$89.6 million in fiscal 2009;

8 ii) Adjusted Operating Income of US\$74.5 million, an increase of 41.9%
9 YoY from Adjusted Operating Income of US\$52.5 million in fiscal
10 2009.

11 iii) Adjusted Net Income of US\$70.5 million or US\$1.29 per diluted
12 share (based on an increased share count of approximately 54.8 million
13 shares which assumes 4.0 million new shares issued in Q3 2010), an
14 increase of 36.6% YoY from Adjusted Net Income of US\$51.6 million
15 in fiscal 2009.

16 40. Following issuance of the earnings release, on November 16, 2009, after
17 the market closed, Longtop hosted a conference call to discuss the Company's
18 financial results and operations. During the call, defendants made numerous positive
19 statements about the Company's business and operations.

20 41. On November 18, 2009, the Company issued a press release announcing
21 its follow-on public offering of 3,700,000 ADSs. The press release stated:

22 Longtop Financial Technologies Limited (NYSE: LFT) ("Longtop" or
23 the "Company"), a leading software developer and solutions provider
24 targeting the financial services industry in China, announced today that
25 its follow-on public offering of 3,700,000 American depositary shares, or
26 ADSs, each representing one ordinary share of the Company, was priced
27 at \$31.25 per ADS. Longtop has granted the underwriters a 30-day
28 option to purchase up to an additional 555,000 ADSs.

1 Longtop plans to use the net proceeds of the offering for potential
2 acquisitions and for general corporate purposes. The Company's
3 management will retain broad discretion over the use of proceeds, and
4 the Company may ultimately use the net proceeds for different purposes.
5 Deutsche Bank Securities Inc. and Morgan Stanley & Co. International
6 plc acted as joint bookrunners for the offering.

7 42. On November 23, 2009, the Company issued a press release announcing
8 the closing of its follow-on public offering of 4,255,000 ADSs. The press release
9 stated in part:

10 Longtop Financial Technologies Limited (NYSE: LFT) ("Longtop" or
11 the "Company"), a leading software developer and solutions provider
12 targeting the financial services industry in China, announced the closing
13 today of its follow-on public offering of 4,255,000 American depositary
14 shares, or ADSs, representing 4,255,000 ordinary shares of the
15 Company. The offering included a total of 555,000 ADSs sold by the
16 Company pursuant to the underwriters' over-allotment option, which
17 was exercised in full. The Company received aggregate net proceeds of
18 approximately \$127 million, after deducting underwriting discounts and
19 commissions, but before deducting offering expenses payable by the
20 Company.

21 Deutsche Bank Securities Inc. and Morgan Stanley & Co. International
22 plc acted as joint bookrunners for the offering.

23 This press release does not constitute an offer to sell, and it is not
24 soliciting an offer to buy, securities and does not constitute an offer,
25 solicitation or sale in any jurisdiction where the offer or sale is not
26 permitted.

1 43. On February 10, 2010, the Company issued a press release announcing its
2 financial results for third quarter of 2010. The press release discussed the Company's
3 third quarter 2010 financial results and business outlook, and stated, in part:

4 **FINANCIAL HIGHLIGHTS**

- 5 • Third quarter total revenues of US\$54.7 million, an increase of
6 66.2% Year-on-Year;
- 7 • Third quarter Adjusted Operating Income of US\$29.3 million, an
8 increase of 69.3% Year-on-Year;
- 9 • Third quarter Adjusted Net Income of US\$29.3 million, which
10 includes an income tax benefit of US\$4.0 million. Excluding the
11 income tax benefit of US\$4.0 million Adjusted Net Income would
12 have increased 53.1% Year-on-Year;
- 13 • Third quarter Adjusted Diluted Earnings Per Share of US\$0.53,
14 which includes an income tax benefit of US\$0.07 per share.
15 Excluding the income tax benefit of US\$0.07 Per Share, Adjusted
16 Diluted Earnings Per Share would have been US\$0.46, an increase
17 of 43.8% Year-on-Year;
- 18 • Cash flow from operations was US\$39.2 million for the third
19 quarter and US\$50.1 million for the first nine months;
- 20 • Excluding Giantstone, full year 2010 revenue guidance increased
21 to US\$166.0 million from previous guidance of US\$158.0 million,
22 and Adjusted Diluted Earnings Per Share guidance increased from
23 previous guidance of US\$1.29 per share to US\$1.39 per share,
24 which includes US\$0.07 per share from an income tax benefit
25 recorded in Q3 2010.

26 "I'm pleased to report that on the back of solid execution from our
27 management and employees, once again our third quarter financial
28 results exceeded our top and bottom line guidance. We see ongoing

1 strong demand from our customers that execute on their long-term IT
2 development plans irrespective of short-term changes in macroeconomic
3 factors. Based on our sales pipeline and ongoing discussions with
4 customers about their IT spending plans, Longtop's growth prospects
5 remain strong for fiscal 2011. I believe Longtop's competitive position
6 is strengthening and we are taking market share from our competitors,"
7 commented Weizhou Lian, CEO of Longtop. "Furthermore, this
8 quarter's results underscore the successful integration of Sysnet with
9 insurance being our fastest growing customer segment. I believe the
10 recent acquisition of Giantstone, a leading core banking solution
11 provider in China will offer us new growth opportunities."

12 * * *

13 Commenting on the results, Derek Palaschuk, CFO of Longtop, said: "In
14 the third quarter revenue and Adjusted Net Income once more
15 substantially exceeded guidance. A robust third quarter cash flow from
16 operations of US\$39.2 million and US\$50.1 million for the first nine
17 months together with the proceeds from the November 2009 secondary
18 offering will allow us to continue to invest intelligently in our existing
19 operations and grasp further consolidation opportunities through
20 acquisitions that will help extend our leading position in China's
21 financial technology industry."

22 **BUSINESS OUTLOOK**

23 Longtop anticipates for the quarter and ending March 31, 2010,
24 excluding Giantstone:

25 i) Total revenues of US\$40.0 million, representing an increase of 54.4%
26 YoY from revenues of US\$25.9 million in the corresponding year ago
27 period. Software development revenues are expected to be US\$34.0
28

1 million, a YoY increase of 61.1% from US\$21.1 million in the
2 corresponding year ago period.

3 ii) Adjusted Operating Income of US\$16.0 million, representing an
4 increase of 50.9% YoY from Adjusted Operating Income of US\$10.6
5 million in the corresponding year ago period.

6 iii) Adjusted Net Income of US\$15.5 million, representing an increase of
7 40.9% YoY from Adjusted Net Income of US\$11.0 million in the
8 corresponding year ago period.

9 iv) Adjusted Diluted Earnings Per Share of US\$0.26, representing an
10 increase of 23.8% YoY from Adjusted Diluted Earnings Per Share of
11 US\$0.21 in the corresponding year ago period.

12 Longtop anticipates for its fiscal year ending March 31, 2010, excluding
13 Giantstone:

14 i) Total revenues of US\$166.0 million, representing an increase of 56.2%
15 YoY from revenues of US\$106.3 million in fiscal 2009. Software
16 development revenues are expected to be US\$142.0 million, a YoY
17 increase of 58.5% from US\$89.6 million in fiscal 2009;

18 ii) Adjusted Operating Income of US\$77.5 million, an increase of 47.6%
19 YoY from Adjusted Operating Income of US\$52.5 million in fiscal
20 2009.

21 iii) Adjusted Net Income of US\$77.0 million, an increase of 49.2% YoY
22 from Adjusted Net Income of US\$51.6 million in fiscal 2009. Excluding
23 the Q3 2010 Income Tax Benefit of US\$4.0 million, Adjusted Net
24 Income would have increased 41.5% YoY;

25 iv) Adjusted Diluted Earnings Per Share of US\$1.39, an increase of
26 41.8% from Adjusted Diluted Earnings Per Share of US\$0.98 in fiscal
27 2009. Excluding the Q3 2010 Income Tax Benefit of US\$0.07 per fully
28

1 diluted share, Adjusted Diluted Earnings per Share would have increased
2 34.7% YoY.

3 44. Following issuance of the earnings release, on February 10, 2010, after
4 the market closed, Longtop hosted a conference call to discuss the Company's
5 financial results and operations. During the call, defendants made numerous positive
6 statements about the Company's business and operations.

7 45. On May 24, 2010, the Company issued a press release announcing its
8 financial results for the fiscal fourth quarter and fiscal year ended March 31, 2010.
9 The press release discussed the Company's fourth quarter and fiscal year 2010
10 financial results and business outlook, and stated, in part:

11 **FINANCIAL HIGHLIGHTS**

- 12 • Fourth quarter total revenues of US\$43.1 million, an increase of
13 66.4% Year-on-Year;
- 14 • Fourth quarter Adjusted Operating Income of US\$17.5 million, an
15 increase of 65.2% Year-on-Year;
- 16 • Fourth quarter Adjusted Net Income of US\$16.3 million, an
17 increase of 48.2% Year-on-Year;
- 18 • Fourth quarter Adjusted Diluted Earnings Per Share of US\$0.28,
19 an increase of 33.3% Year-on-Year;
- 20 • Fourth quarter US GAAP net income per diluted share of
21 US\$0.10, a decrease of 41.2% Year-on-Year;
- 22 • Full year total revenues of US\$169.1 million, up 59.0% Year-on-
23 Year;
- 24 • Full year Adjusted Operating Income of US\$ 79.1 million, up
25 50.6% Year-on-Year;
- 26 • Full year Adjusted Net Income of US\$77.7 million, which
27 includes an income tax benefit of US\$3.8 million. Excluding the
28 tax benefit, Adjusted Net Income would have increased 43.2%;

- 1 • Full year Adjusted Diluted Earnings Per Share of US\$1.41, which
- 2 includes an income tax benefit of US\$0.07 per share. Excluding
- 3 the tax benefit, Adjusted Diluted Earnings Per Share would have
- 4 increased 36.7%;
- 5 • Full year US GAAP net income per diluted share of US\$1.07, an
- 6 increase of 28.9% Year-on-Year;
- 7 • Cash flow from operations was US\$13.2 million for the fourth
- 8 quarter and US\$62.9 million for the fiscal year 2010.

9 “I am very pleased to report that we have concluded fiscal 2010 with
10 another quarter of solid results. We look back at a year in which our
11 business flourished due to significant organic business expansion in the
12 financial IT industry, and the synergies of the Sysnet acquisition that
13 further boost our presence in the insurance IT solution market. This
14 quarter’s results once more indicate that Longtop’s business is based on
15 the indispensable and recurring nature of our software and solutions,”
16 commented Weizhou Lian, CEO of Longtop. “Our outlook for 2011 is
17 strong based on our sound business fundamentals and feedback from our
18 customers. With the acquisition of Giantstone, we feel we are better
19 positioned to capitalize on the long-term growth opportunity in China’s
20 financial technology market.”

21 * * *

22 Commenting on the results, Derek Palaschuk, CFO of Longtop, said: “In
23 the fourth quarter revenue once more substantially exceeded our
24 previous guidance, demonstrating the continuing strong demand for
25 Longtop solutions. Even with the inclusion of \$1.1 million in operating
26 losses from consolidating Giantstone, our operating and net income was
27 still well above guidance. Our continuous efforts to further improve
28 overall business execution were underscored by a strong cash flow from

1 operations of \$62.9 million for fiscal 2010. Looking ahead, our positive
2 business momentum, stable margin structure and strong cash balance
3 form a solid foundation to consolidate our leadership position in China's
4 financial technology industry in fiscal 2011."

5 **BUSINESS OUTLOOK**

- 6 • Longtop anticipates for the quarter ending June 30, 2010:
- 7 • Total revenues of US\$44.5 million, Adjusted Operating Income of
- 8 US\$18.0 million, Adjusted Net Income of US\$16.1 million and
- 9 Adjusted Diluted Earnings Per Share of US\$0.28. Giantstone is
- 10 expected to contribute \$4.0 million of software development
- 11 revenues, \$1.4 million in Adjusted Operating Income, \$1.1 million
- 12 in Adjusted Net Income or \$0.02 per diluted share.
- 13 • Longtop anticipates for its fiscal year ending March 31, 2011:
- 14 • Total revenues of US\$225 million, Adjusted Operating Income of
- 15 US\$103.5 million, Adjusted Net Income of US\$96.5 million and
- 16 Adjusted Diluted Earnings Per Share of US\$1.64. Giantstone is
- 17 expected to contribute \$15.0 million of software development
- 18 revenues, \$4.5 million in Adjusted Operating Income, \$3.75
- 19 million in Adjusted Net Income or \$0.06 per diluted share.

20 46. Following issuance of the earnings release, on May 24, 2010, Longtop
21 hosted a conference call to discuss the Company's financial results and operations.
22 During the call, defendants made numerous positive statements about the Company's
23 business and operations.

24 47. On July 16, 2010, the Company filed with the SEC its annual report for
25 the fiscal year ended March 31, 2010. The financial results reported in the Form 20-F
26 were substantially similar to those reported in the Company's prior press releases.
27 The Form 20-F was signed by defendants Lian and Palaschuk and contained

1 certifications signed by Lian and Palaschuk stating the Form 20-F did not include any
2 material misrepresentations.

3 48. On August 17, 2010, the Company issued a press release announcing its
4 financial results for first quarter of 2011. The press release discussed the Company's
5 first quarter 2011 financial results and business outlook, and stated, in part:

6 **FINANCIAL HIGHLIGHTS**

- 7 • Total Revenues of US\$48.9 million which Included US\$2.4
8 million in Revenue From Zhongbo, a Business Acquired in Q1
9 2011, an Increase of 71.6% Year-on-Year (YOY), or 63.2% YoY
10 Excluding the Impact of Zhongbo;
- 11 • Total Software Development Revenues of US\$38.7 million, an
12 Increase of 56.8% YoY;
- 13 • Adjusted Operating Income of US\$19.1 million, an Increase of
14 65.4% YoY;
- 15 • Adjusted Net Income of US\$17.9 million, an Increase of 67.3%
16 YoY;
- 17 • Adjusted Diluted Earnings Per Share of US\$0.31, an Increase of
18 55.0% YoY;
- 19 • Full Year Revenue Guidance Increased to US\$233.0 million and
20 Adjusted EPS Guidance Increased to US\$1.70

21 “We have commenced our 2011 fiscal year with solid first quarter
22 results. I am pleased to see the continuing strong demand for Longtop's
23 solutions due to long-term and structural technology growth trends in the
24 financial services industry, which tend to be independent of the
25 macroeconomic environment. Once again, our company-wide effort to
26 extend Longtop's market leadership was rewarded with strong
27 independent endorsement by IDC, ranking us #1 for banking solutions
28 and #2 in the insurance IT solution market in China during calendar year

1 2009,” commented Weizhou Lian, CEO of Longtop. “In consideration
2 of our growth momentum, we increase revenue and net income guidance
3 for fiscal 2011.”

4 * * *

5 We have delivered sound top and bottom line financial results during the
6 first fiscal quarter, which is traditionally our lowest revenue and net
7 income quarter in the fiscal year. The strong outlook, evidenced by a
8 healthy backlog and pipeline in our core software development business,
9 has allowed us to increase guidance, and for the first time in our history
10 we expect to achieve US\$100 million in Adjusted Net Income,”
11 commented Derek Palaschuk, CFO of Longtop. “As in previous years,
12 in Q2 and Q3 2011 we expect significant improvements from this quarter
13 in our margins as well as from cash flow from operations.”

14 * * *

15 **BUSINESS OUTLOOK**

16 Longtop anticipates, for the quarter ending September 30, 2010:

- 17 • Total revenues, of US\$57.0 million, Adjusted Operating Income
18 of US\$27.4 million, Adjusted Net Income of US\$24.3 million and
19 Adjusted Diluted Earnings Per Share of US\$0.41. Giantstone is
20 expected to contribute US\$3.8 million in software development
21 revenues.
- 22 • US GAAP Net Loss is expected to be approximately US\$68.4, or
23 US\$1.17 Per Diluted Share, which is US\$92.7 million less than
24 Adjusted Net Income which includes the US\$79.5 million share
25 gift as well as the other Non GAAP adjustments normally made.

26 For the fiscal year ending March 31, 2011:

- 27 • Total revenues of US\$233.0 million, Adjusted Operating Income
28 of US\$106.5 million, Adjusted Net Income of US\$100.0 million

1 and Adjusted Diluted Earnings Per Share of US\$1.70. Giantstone
 2 is expected to contribute US\$16.0 million in software
 3 development revenues.

- 4 • US GAAP Net Loss is expected to be approximately US\$11.2
 5 million, or US\$0.19 Per Diluted Share which is US\$111.2 million
 6 less than Adjusted Net Income which includes the US\$79.5
 7 million share gift as well as the other Non GAAP adjustments
 8 normally made.

9 49. Following issuance of the earnings release, on August 17, 2010, after the
 10 market closed, Longtop hosted a conference call to discuss the Company's financial
 11 results and operations. During the call, defendants made numerous positive
 12 statements about the Company's business and operations.

13 50. On November 15, 2010, the Company issued a press release announcing
 14 its financial results for the second quarter of 2011. The press release discussed the
 15 Company's second quarter 2011 financial results and business outlook, and stated, in
 16 part:

17 **FINANCIAL HIGHLIGHTS**

- 18 • Total Software Development Revenues of US\$55.5 million, an
 19 Increase of 50.0% Year-on-Year (YoY);
- 20 • Total Revenues of US\$60.5 million, an Increase of 41.2% YoY;
- 21 • Adjusted Operating Income of US\$28.7 million, an Increase of
 22 38.4% YoY;
- 23 • Adjusted Net Income of US\$25.7 million, an Increase of 19.8%
 24 YoY;
- 25 • Adjusted Diluted Earnings Per Share of US\$0.44, Three Cents
 26 Ahead of Company Guidance;
- 27 • Operating Cash flow of US\$31.6 million, an Increase of 67.6%
 28 YoY;

- Full Year Revenue Guidance Increased to US\$242.5 million and Adjusted EPS Guidance Increased to US\$ 1.76

“The financial results of the second fiscal quarter have exceeded our Company guidance. I am pleased to see the ongoing strength in demand from across the full spectrum of our customer base. The outstanding revenue contribution from Other Banks reaffirms the success over the past four years in diversifying and expanding our customer base as well as last year’s acquisition of Giantstone and its core banking capabilities. We continue to be highly positive on our outlook for the second half of the 2011 fiscal year,” commented Weizhou Lian, CEO of Longtop. “Longtop’s growth momentum and expanding market leadership are based on customers’ trust in our quality solutions and service, and we will work hard to continue to deserve their loyalty.”

* * *

“Our Company performance has once more exceeded guidance for both top and bottom line results. Our order intake, margins and cash flow from operations which was US\$31.6 million significantly improved in the second quarter as we had anticipated. On the back of strong demand and execution, we are now raising our fiscal 2011 revenue guidance to US\$242.5 million up from 225.0 million at the beginning of our fiscal year and Adjusted Earnings Per Share of US\$1.76 up from US\$1.64,” commented Derek Palaschuk, CFO of Longtop.

BUSINESS OUTLOOK

Longtop anticipates, for the quarter ending December 31, 2010:

- Total revenues, of US\$73.5 million, Adjusted Operating Income of US\$38.0 million, Adjusted Net Income of US\$33.1 million and Adjusted Diluted Earnings Per Share of US\$0.56. Giantstone is

1 expected to contribute US\$3.5 million of software development
2 revenues.

- 3 • Excluding the impact of new acquisitions, US GAAP net income
4 is expected to be approximately US\$26.8 million or US\$0.46 per
5 diluted share, which is US\$6.3 million less than Adjusted Net
6 Income due to Non GAAP adjustments normally made.

7 For its fiscal year ending March 31, 2011:

- 8 • Total revenues of US\$242.5 million, Adjusted Operating Income
9 of US\$110.0 million, Adjusted Net Income of US\$103.5 million
10 and Adjusted Diluted Earnings Per Share of US\$1.76. Giantstone
11 is expected to contribute US\$16 million of software development
12 revenues.
- 13 • Excluding the impact of new acquisitions, US GAAP net loss is
14 expected to be approximately US\$8.3 million, or US\$0.18 per
15 diluted share which is US\$111.8 million less than Adjusted Net
16 Income which includes the US\$79.5 million share gift as well as
17 the other Non GAAP adjustments normally made.

18 51. Following issuance of the earnings release, on November 15, 2010,
19 Longtop hosted a conference call to discuss the Company's financial results and
20 operations. During the call, defendants made numerous positive statements about the
21 Company's business and operations.

22 52. On January 31, 2011, the Company issued a press release announcing its
23 financial results for the third quarter of 2011. The press release discussed the
24 Company's third quarter 2011 financial results and business outlook, and stated, in
25 part:

26 **FINANCIAL HIGHLIGHTS**

- 27 • Third quarter software development revenues of US\$72.5 million,
28 an increase of 56.3% Year-on-Year (YoY);

- 1 • Third quarter total revenues of US\$76.9 million, an increase of
- 2 40.7% YoY;
- 3 • Third quarter Adjusted Operating Income of US\$40.2 million, an
- 4 increase of 37.1% YoY;
- 5 • Third quarter Adjusted Net Income of US\$35.6 million, an
- 6 increase of 21.5% YoY. Included in Q3 2010 Adjusted Net
- 7 Income was an income tax benefit of US\$4.0 million (Q3 2011:
- 8 nil). Excluding the income tax benefit, Adjusted Net Income
- 9 would have increased by 40.7%;
- 10 • Third quarter Adjusted Diluted Earnings Per Share of US\$0.61,
- 11 five cents ahead of Company guidance;
- 12 • Cash Flow From Operations in Q3 2011 was a record US\$43.9
- 13 million and US\$75.0 million for the first nine months of fiscal
- 14 2011, an increase of 49.8% YoY;
- 15 • Full Year Revenue Guidance increased from US\$242.5 million to
- 16 US\$249.0 million and Adjusted Operating Income Guidance
- 17 Increased from US\$110.0 million to US\$113.0 million

18 “I am very pleased to report that we have delivered the strongest cash
19 flow from operations to date since our IPO in 2007 on the back of
20 outstanding execution from our management and employees. The
21 momentum has accelerated during fiscal 2011 with our organic growth
22 rate for software development revenue of approximately 40% in the first
23 nine months significantly higher than the 30% guidance we gave at the
24 outset of the year while maintaining a relatively stable organic operating
25 margin. With this momentum, we are once again raising guidance for
26 the fiscal fourth quarter of 2011,” commented Weizhou Lian, CEO of
27 Longtop. “For fiscal 2012 we continue to see strong demand from our
28 customers that execute on their long-term IT development plans

1 irrespective of short-term changes in macroeconomic factors. Based on
2 our sales pipeline and ongoing discussions with customers about their IT
3 spending plans, Longtop's growth prospects remain bright for fiscal
4 2012. I believe Longtop's competitive position is stronger than ever and
5 we continue to take market share from our competitors."

6 * * *

7 "Improving our accounts receivable management was an important
8 objective for us this year. I am particularly pleased to see record high
9 operating cash flow of US\$43.9 million in the third quarter and US\$75.0
10 million for the first nine months which further underscores the solidity of
11 business demand and overall management execution at Longtop. During
12 the fiscal third quarter order intake continued to be very strong, the
13 Company was once again able to report higher-than-guided top and
14 bottom line results and our industry leading margins give us significant
15 room for additional investments in our business," commented Derek
16 Palaschuk, CFO of Longtop.

17 **BUSINESS OUTLOOK**

18 Longtop anticipates, for the quarter ending March 31, 2011:

- 19 • Total revenues of US\$62.7 million and Adjusted Operating
20 Income of US\$25.0 million. Giantstone is expected to contribute
21 US\$3.5 million of software development revenues.
- 22 • Excluding the impact of new acquisitions, US GAAP operating
23 income is expected to be approximately US\$18.5 million which is
24 US\$6.5 million less than Adjusted Operating Income due to Non
25 GAAP adjustments normally made.

1 For its fiscal year ending March 31, 2011:

- 2 • Total revenues of US\$249.0 million and Adjusted Operating
3 Income of US\$113.0 million. Giantstone is expected to contribute
4 US\$18.0 million of software development revenues.
- 5 • Excluding the impact of new acquisitions, US GAAP operating
6 income is expected to be approximately US\$2.0 million, or
7 US\$111.0 million less than Adjusted Operating Income which
8 includes the US\$79.5 million share gift as well as the other Non
9 GAAP adjustments normally made.

10 53. Following issuance of the earnings release, on January 31, 2011, after the
11 market closed, Longtop hosted a conference call to discuss the Company's financial
12 results and operations. During the call, defendants made numerous positive
13 statements about the Company's business and operations.

14 54. On April 26, 2011, Citron issued a report on Longtop stating that "every
15 financial statement from [Longtop's] IPO to this date is fraudulent." The report raised
16 serious issues with the quality of the Company's earnings reports and operations, and
17 detailed Longtop's outrageous profit margins and suspicious off-balance-sheet
18 relationships with XLHR, as well as several facts undermining the credibility of
19 Longtop's key management.

20 55. In response to the report, the price of Longtop shares declined
21 substantially, falling 12.9%, or \$3.30 per share on April 26, 2011, and then
22 plummeted another 20%, or \$4.51 per share, to close at \$17.73 per share on April 27,
23 2011, on heavy trading volume.

24 56. On April 27, 2011, *The Street* published an article entitled "Longtop
25 Financial: Fund Managers' Dilemma," which discussed Citron's report and stated in
26 relevant part:

27 At a minimum, LFT is not disclosing the nature of related parties (i.e. the
28 employment agency used to staff the company) and this will be an issue

1 for the 10K. This is simply a disclosure issue and should not have a
2 significant impact on the share price, as long as the underlying numbers
3 between the parties matches. However, the existence of this undisclosed
4 related party arrangement is a black eye for Deloitte because it should be
5 easily observable during the audit process and should obviously be
6 disclosed. It raises the risk that Deloitte has not fully audited all of the
7 necessary components of the company's revenue and income stream.

8 Citron also discusses past criminal behavior by the chairman and CEO
9 which resulted in a court ruling against them. The company they had
10 previously worked for (and which took them to court) was omitted from
11 their biographies in the IPO and I expect it will also be a disclosure issue
12 going forward. To the extent that this does not affect Deloitte's sign off
13 on the 10K, it should not be an issue for the share price. However it
14 should certainly be viewed as a red flag and obviously raises the
15 likelihood of accounting irregularities.

16 The key red flag is that LFT has reported margins that are more than
17 double that of competitors. From an auditing standpoint, deconstructing
18 the numbers is made more difficult due to the unusual employment
19 arrangement by which LFT offloads employment to a different entity.
20 Since the entity appears to be a related party, this arrangement makes
21 very little sense from a business standpoint. If there are any issues with
22 revenue and expense recognition, it will at a minimum result in a
23 restatement of earnings which will, as always, cause a mass exodus from
24 the stock.

25 Citron touches on one issue with LFT that I believe may have much
26 wider ranging implications for U.S.- listed China stocks, namely the
27 transfer of shares by major insiders using unusual transactions.
28 According to Citron, the founder and chairman has "gifted" 70% of his

1 stock to employees and friends over the past four years. This is certainly
2 unusual and unexpected. However, if it turns out that there is more to
3 the transactions than simple gifting, then the consequences for the
4 company and the share price will be significant.

5 57. On April 28, 2011, Longtop hosted a conference call specifically to
6 discuss the Citron report. During the call, the Company repeatedly and emphatically
7 denied any wrongdoing, stating in part:

8 Although it is Longtop's practice not to respond to market rumors,
9 especially when the Company is in a quiet period ahead of earnings,
10 management believes that in this case it is appropriate to have this call to
11 rebut the absolutely false allegations of fraud and other alleged
12 wrongdoings in an April 26 report hosted and Citron report.

13 These reports seem to have caused unwarranted and disturbing
14 turbulence in the trading markets for our shares. We want to take this
15 opportunity to rebut all opinions expressed and rumors repeated in the
16 report. A number of investors have even said to us there was nothing
17 new in this report.

18 The report starts with the allegation that every financial statement from
19 IPO to date is fraudulent. There is absolutely no basis to support this
20 allegation, and we are deeply outraged that anyone purporting to conduct
21 reputable market research would make such a statement without basis.
22 Longtop is a well-managed company that has completed Sarbanes-Oxley
23 404 with no material weaknesses every year after becoming a public
24 company, never has had a financial restatement and has consistently had
25 normal earnings reporting and 20-F filing schedules. These earnings are
26 supported by the strongest cash flows in the industry.

27 We are on schedule to report our Q4 2011 financial results on May 23,
28 2011, and plan to file our 20-F in July 2011 as normal. You can see

1 from this report it also attacks Deloitte, our auditors, who audit a number
2 of public companies around the world.

3 We have a very close dialogue with our auditors. We have been
4 communicating with them regularly on market rumors of fraud since
5 these attacks on Longtop first surfaced well over a year ago.

6 These rumors and allegations, which are repeated almost verbatim in the
7 Citron reports, have become predictable in their timing. They always
8 fall in our quiet periods leading up to our earnings announcements.

9 People have asked whether our auditors can attend a public conference
10 call with yourself. However, that is not a practice for any public
11 company.

12 The best evidence of our auditor's support is when they signed a 20-F,
13 which will be filed in July 2011. Also, before we announce our May 23
14 results, we will have had our audit committee's clearance as well as
15 verbal clearance from the auditors. We want to emphasize that we will
16 not have to restate our financial results.

17 58. In response to the false and misleading statements made by defendants
18 during the conference call, the price of Longtop stock rose 10.9%, or \$1.93 per share,
19 to close at \$19.66 on April 28, 2011, on heavy trading volume.

20 59. On May 3, 2011, *The Wall Street Journal* published an article entitled
21 "Renren Audit Committee Head Resigns As IPO Approaches," revealing that
22 Palaschuk abruptly resigned his position as member of the board of directors of
23 Renren Inc. ("Renren"), where he was chairman of the audit committee, prior to
24 Renren's upcoming IPO, because of the many looming questions concerning
25 fraudulent accounting at Longtop.

26 60. Then on May 9, 2011, Citron published a follow-up report entitled
27 "Longtop Financial (NYSE: LFT) Final Proof of Undisclosed Related Party
28

1 Transactions.” Among other things, the report further discussed the Company’s
2 connection to XLHR.

3 61. In response to the release of the second Citron report, the price of
4 Longtop stock fell 8.2%, or \$1.67 per share, to close at \$18.54 per share on May 9,
5 2011.

6 62. On May 10, 2011, Longtop issued a press release further denying the
7 claims of both Citron reports, as well as a similar report issued by OLP Global.

8 63. On May 17, 2011, all NYSE trading of Longtop stock was halted pending
9 an announcement by the Company. At the time of the suspension, Longtop shares
10 were trading at \$18.93 per share.

11 64. Following the close of the Class Period, negative news continued to enter
12 the market. First, on May 19, 2011, Longtop issued a press release announcing that
13 the Company would not announce its fourth quarter and fiscal year 2011 financial
14 results on May 23, 2011, as previously scheduled. The Company stated that it “plans
15 to publish an announcement on the new date of fourth quarter and fiscal year 2011
16 earnings reporting once the date has been determined.”

17 65. Then, on May 23, 2011, Longtop issued a press release announcing that
18 its independent auditor, Deloitte Touche Tohmatsu CPA Limited, had resigned and
19 that the SEC was conducting an investigation into related matters. The Company also
20 announced that Palaschuk tendered his resignation dated May 19, 2011. The press
21 release further stated:

22 Longtop Financial Technologies Limited (“Longtop” or the “Company”)
23 (NYSE: LFT) announced today that the Company’s registered
24 independent accounting firm, Deloitte Touche Tohmatsu CPA Ltd.
25 (“DTT”), has resigned as auditor of the Company by letter dated May 22,
26 2011. The Company also announced that Derek Palaschuk, the
27 Company’s Chief Financial Officer, tendered his resignation by letter,
28

1 dated May 19, 2011, and the Board has taken his resignation under
2 advisement.

3 In its letter, DTT stated that it was resigning as the result of, among other
4 things (1) the recently identified falsity of the Company's financial
5 records in relation to cash at bank and loan balances (and possibly in
6 sales revenue); (2) the deliberate interference by certain members of
7 Longtop management in DTT's audit process; and (3) the unlawful
8 detention of DTT's audit files. DTT further stated that DTT was no
9 longer able to rely on management's representations in relation to prior
10 period financial reports, that continued reliance should no longer be
11 placed on DTT's audit reports on the previous financial statements, and
12 DTT declined to be associated with any of the Company's financial
13 communications in 2010 and 2011.

14 Longtop's Audit Committee has retained US legal counsel and
15 authorized the retention of forensic accountants to conduct an
16 independent investigation into the matters raised by DTT's resignation
17 letter. The Audit Committee has also initiated a search for a new
18 auditor. Further, Longtop was advised by the United States Securities
19 and Exchange Commission ("SEC") that the SEC was conducting an
20 inquiry regarding related matters. Longtop intends to cooperate fully
21 with the SEC's inquiry.

22 Longtop is unable to determine the full effect of these matters, including
23 whether any restatement of its historical financial statements will be
24 required, until the Audit Committee completes its review. Longtop
25 cannot predict when it will announce its financial results for Q4 2011, or
26 when it will file its Form 20F for the fiscal year ended March 31, 2011.

1 Further, the Company announced that Wei Dong, Senior Vice President
2 since April 1, 2009, assumed the responsibility of Chief Operating
3 Officer of the Company.

4 66. The true facts, which were known by defendants but concealed from the
5 investing public during the Class Period, were as follows:

6 (a) the Company misrepresented and overstated its financial condition
7 and future business prospects; and

8 (b) as a result of the foregoing, defendants' statements regarding the
9 Company's financial performance and expected earnings were false and misleading
10 and lacked a reasonable basis when made.

11 67. As a result of defendants' false statements and omissions, Longtop
12 securities traded at artificially inflated prices during the Class Period. After the above
13 revelations were revealed to the market, however, the Company's shares were
14 hammered by massive sales, sending them down approximately 55.7% from their
15 Class Period high. Further, but for the suspension in trading, Longtop's shares would
16 have suffered additional, substantial drops in response to the disclosures on May 19
17 and 23, 2011.

18 **LOSS CAUSATION/ECONOMIC LOSS**

19 68. During the Class Period, as detailed herein, defendants engaged in a
20 scheme to deceive the market and a course of conduct that artificially inflated the
21 prices of Longtop publicly traded securities and operated as a fraud or deceit on Class
22 Period purchasers of Longtop securities by failing to disclose and misrepresenting the
23 adverse facts detailed herein. When defendants' prior misrepresentations and
24 fraudulent conduct were disclosed and became apparent to the market, the prices of
25 Longtop securities fell precipitously as the prior artificial inflation came out. As a
26 result of their purchases of Longtop securities during the Class Period, Plaintiff and
27 the other Class members suffered economic loss, *i.e.*, damages, under the federal
28

1 securities laws when the truth about Longtop was revealed, which removed the
2 artificial inflation from the price of Longtop securities.

3 69. By failing to disclose to investors the adverse facts detailed herein,
4 defendants presented a misleading picture of Longtop's business and prospects.
5 Defendants' false and misleading statements had the intended effect and caused
6 Longtop securities to trade at artificially inflated prices throughout the Class Period,
7 reaching as high as \$42.73 per share on November 10, 2010.

8 70. As a direct result of the disclosures on April 26, 2011 and May 9, 2011,
9 Longtop securities fell precipitously. These drops removed artificial inflation from
10 the prices of Longtop securities, causing real economic loss to investors who had
11 purchased Longtop securities at artificially inflated prices during the Class Period.

12 71. The declines were a direct result of the nature and extent of defendants'
13 fraud finally being revealed to investors and the market. The timing and magnitude of
14 the price declines in Longtop securities negates any inference that the loss suffered by
15 Plaintiff and the other Class members was caused by changed market conditions,
16 macroeconomic or industry factors or Company-specific facts unrelated to defendants'
17 fraudulent conduct. The economic loss, *i.e.*, damages, suffered by Plaintiff and the
18 other Class members was a direct result of defendants' fraudulent scheme to
19 artificially inflate the prices of Longtop securities and the subsequent significant
20 decline in the value of Longtop securities when defendants' prior misrepresentations
21 and other fraudulent conduct were revealed.

22 **APPLICABILITY OF PRESUMPTION OF RELIANCE:**
23 **FRAUD ON THE MARKET DOCTRINE**

24 72. At all relevant times, the market for Longtop securities was an efficient
25 market for the following reasons, among others:

26 (a) Longtop securities met the requirements for listing, and were listed
27 and actively traded on the NYSE, a highly efficient and automated market;
28

1 (b) As a regulated issuer, Longtop filed periodic public reports with
2 the SEC and the NYSE;

3 (c) Longtop regularly communicated with public investors via
4 established market communication mechanisms, including regular dissemination of
5 press releases on the national circuits of major newswire services and other wide-
6 ranging public disclosures, such as communications with the financial press and other
7 similar reporting services; and

8 (d) Longtop was followed by several securities analysts employed by
9 major brokerage firms who wrote reports which were distributed to the sales force and
10 certain customers of their respective brokerage firms. Each of these reports was
11 publicly available and entered the public marketplace.

12 73. As a result of the foregoing, the market for Longtop securities promptly
13 digested current information regarding Longtop from all publicly available sources
14 and reflected such information in the prices of the stock. Under these circumstances,
15 all purchasers of Longtop securities during the Class Period suffered similar injury
16 through their purchase of Longtop securities at artificially inflated prices and a
17 presumption of reliance applies.

18 **NO SAFE HARBOR**

19 74. The statutory safe harbor provided for forward-looking statements under
20 certain circumstances does not apply to any of the allegedly false statements pleaded
21 in this Complaint. Many of the specific statements pleaded herein were not identified
22 as "forward-looking statements" when made. To the extent there were any forward-
23 looking statements, there were no meaningful cautionary statements identifying
24 important factors that could cause actual results to differ materially from those in the
25 purportedly forward-looking statements. Alternatively, to the extent that the statutory
26 safe harbor does apply to any forward-looking statements pleaded herein, defendants
27 are liable for those false forward-looking statements because at the time each of those
28 forward-looking statements was made, the particular speaker knew that the particular

1 forward-looking statement was false, and/or the forward-looking statement was
2 authorized and/or approved by an executive officer of Longtop who knew that those
3 statements were false when made.

4 **COUNT I**

5 **For Violation of §10(b) of the 1934 Act and Rule 10b-5**
6 **Against All Defendants**

7 75. Plaintiff incorporates ¶¶1-74 by reference.

8 76. During the Class Period, defendants disseminated or approved the false
9 statements specified above, which they knew or deliberately disregarded were
10 misleading in that they contained misrepresentations and failed to disclose material
11 facts necessary in order to make the statements made, in light of the circumstances
12 under which they were made, not misleading.

13 77. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

14 (a) employed devices, schemes, and artifices to defraud;

15 (b) made untrue statements of material facts or omitted to state
16 material facts necessary in order to make the statements made, in light of the
17 circumstances under which they were made, not misleading; or

18 (c) engaged in acts, practices, and a course of business that operated as
19 a fraud or deceit upon Plaintiff and others similarly situated in connection with their
20 purchases of Longtop securities during the Class Period.

21 78. By virtue of the foregoing, Longtop and the Individual Defendants have
22 each violated §10(b) of the 1934 Act, and Rule 10b-5 promulgated thereunder.

23 79. As a direct result and proximate result of defendants' wrongful conduct,
24 Plaintiff and the Class suffered damages in connection with their respective purchases
25 and sales of Longtop securities during the Class Period, because, in reliance on the
26 integrity of the market, they paid artificially inflated prices for Longtop securities and
27 experienced losses when the artificial inflation was released from Longtop securities as
28 a result of the revelations and price declines detailed herein. Plaintiff and the Class

1 would not have purchased Longtop securities at the prices they paid, or at all, if they
2 had been aware that the market prices had been artificially and falsely inflated by
3 defendants' misleading statements.

4 **COUNT II**

5 **For Violation of §20(a) of the 1934 Act**
6 **Against All Defendants**

7 80. Plaintiff incorporates ¶¶1-79 by reference.

8 81. The Individual Defendants acted as controlling persons of Longtop
9 within the meaning of §20(a) of the 1934 Act. By reason of their controlling positions
10 with the Company, the Individual Defendants had the power and authority to cause
11 Longtop to engage in the wrongful conduct complained of herein. Longtop controlled
12 the Individual Defendants and all of its other employees. By reason of such conduct,
13 defendants are liable pursuant to §20(a) of the 1934 Act.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff prays for judgment as follows:

- 16 A. Declaring this action to be a proper class action pursuant to Fed. R. Civ.
17 P. 23;
18 B. Awarding Plaintiff and the members of the Class damages, including
19 interest;
20 C. Awarding Plaintiff reasonable costs and attorneys' fees; and
21
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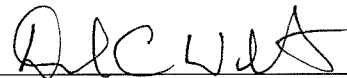
1 D. Awarding such equitable/injunctive or other relief as the Court may deem
2 just and proper.

3 **JURY DEMAND**

4 Plaintiff demands a trial by jury.

5 DATED: June 2, 2011

ROBBINS GELLER RUDMAN
& DOWD LLP
DARREN J. ROBBINS
DAVID C. WALTON

8 

9 DAVID C. WALTON

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TIMMONY, P.C.
18 MICHAEL J. VANOVERBEKE
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20 Detroit, MI 48201
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313/578-1201 (fax)

21 Attorneys for Plaintiff

22
23
24
25
26
27 S:\CptDraft\Securities\Cpt Longtop Financial Technologies.doc

**CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS**

WASHTENAW COUNTY EMPLOYEES' RETIREMENT SYSTEM
("Plaintiff") declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action:

<u>Security</u>	<u>Transaction</u>	<u>Date</u>	<u>Price Per Share</u>
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See attached Schedule A.

5. Plaintiff has not sought to serve or served as a representative party in a class action that was filed under the federal securities laws within the three-year period prior to the date of this Certification except as detailed below:

In re Celera Corp. Sec. Litig., No. 10-cv-02604-JW(HRL) (N.D. Cal.)
Washtenaw County Employees' Retirement System v. The Talbots, Inc., et al., Case No. 1:11-cv-10186-NMG (D. Mass.)

6. The Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct.
Executed this 2 day of JUNE, 2011.

**WASHTENAW COUNTY EMPLOYEES'
RETIREMENT SYSTEM**

By: Roberta Allen

Its: Chair

SCHEDULE A**SECURITIES TRANSACTIONS****Acquisitions**

<u>Date Acquired</u>	<u>Type/Amount of Securities Acquired</u>	<u>Price</u>
03/07/2011 - SD	200	\$28.05
03/07/2011 - SD	200	\$28.15
03/08/2011 - SD	200	\$29.25
03/09/2011 - SD	100	\$29.54
03/09/2011 - SD	100	\$29.42
03/10/2011 - SD	100	\$29.45
03/14/2011 - SD	200	\$30.46
03/15/2011 - SD	100	\$30.09
03/16/2011 - SD	100	\$30.33
03/17/2011 - SD	200	\$29.60
03/18/2011 - SD	100	\$28.93
03/18/2011 - SD	100	\$28.83
04/15/2011 - SD	100	\$27.49
04/15/2011 - SD	100	\$27.71
04/15/2011 - SD	200	\$27.81

Sales

<u>Date Sold</u>	<u>Type/Amount of Securities Sold</u>	<u>Price</u>
04/29/2011 - SD	100	\$22.21
04/29/2011 - SD	300	\$22.19
04/29/2011 - SD	300	\$22.26
05/2/2011 - SD	61	\$18.65
05/2/2011 - SD	100	\$17.77
05/2/2011 - SD	400	\$18.90
05/2/2011 - SD	839	\$18.65

*Settlement dates are indicated with "SD" attached to the date.

COPY

Name & Address:

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIAWASHTENAW COUNTY EMPLOYEES'
RETIREMENT SYSTEM, Individually and on Behalf
of All Others Similarly Situated,

PLAINTIFF(S)

v.

LONGTOP FINANCIAL TECHNOLOGIES
LIMITED, WAI CHAU LIN and DEREK
PALASCHUK,

DEFENDANT(S).

CASE NUMBER

CV11 04714 PA (MANX)

SUMMONS

TO: DEFENDANT(S):

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, David C. Walton, whose address is Robbins Geller, et al., 655 West Broadway, Suite 1900, San Diego, CA 92101. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

JUN - 2 2011

Dated: _____

CHRISTOPHER POWERS

By: _____
Deputy Clerk

(Seal of the Court)



[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself (C)) WASHTEW COUNTY EMPLOYEES' RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated	DEFENDANTS LONGTOP FINANCIAL TECHNOLOGIES LIMITED, WAI CHAU LIN and DEREK PALASCHUK
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) David C. Walton Robbins Geller Rudman & Dowd LLP 655 West Broadway, Suite 1800, San Diego, CA 92101 619/231-1058	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:10%;">PTF <input type="checkbox"/> 1</td> <td style="width:10%;">DEF <input type="checkbox"/> 1</td> <td style="width:33%;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%;">PTF <input type="checkbox"/> 4</td> <td style="width:10%;">DEF <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF <input type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF <input type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4														
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5														
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6														

IV. ORIGIN (Place an X in one box only.)

☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify):
 ☐ 6 Multi-District Litigation
 ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☒ Yes ☐ No **MONEY DEMANDED IN COMPLAINT:** \$

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 15 U.S.C. §§78j(b) and 78e(a) Complaint for Violation of the Federal Securities Laws

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Allen Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DJWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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CV11 04714

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
 If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☐ No ☒ Yes
 If yes, list case number(s): 2:11-cv-04402-MMM-FFM

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☒ A. Arise from the same or closely related transactions, happenings, or events; or
☒ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☒ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Michigan

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	People's Republic of China

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  **Date** June 2, 2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Percy Anderson and the assigned discovery Magistrate Judge is Margaret A. Nagle.

The case number on all documents filed with the Court should read as follows:

CV11- 4714 PA (MANx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge:

===== :
NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.